Fort Worth
INDEPENDENT SCHOOL DISTRICT
www.fwisd.org

ANNUAL FINANCIAL ACCOUNTABILITY MANAGEMENT REPORT

FISCAL YEAR ENDED JUNE 30, 2010

Annual Financial Accountability Management Report

(School FIRST)

Fiscal Year Ended June 30, 2010

Public Hearing

Tuesday, October 11, 2011, 5:15 p.m.

2903 Shotts Street, Fort Worth, Texas 76107

Fort Worth
INDEPENDENT SCHOOL DISTRICT

Annual Financial Accountability Management Report

Fort Worth ISD Earns State's Highest Accountability Rating

The Fort Worth Independent School District has received a rating of "Superior Achievement" for the ninth time under the Texas Education Agency's school finance accountability rating system.

This is the ninth year of Schools FIRST (Financial Integrity Rating System of Texas), a financial accountability system for Texas school districts developed by the Texas Education Agency in response to Senate Bill 875 of the 76th Texas Legislature in 1999. The primary goal of Schools FIRST is to achieve quality performance in the management of a school district's financial resources, a goal made more significant due to the complexity of accounting associated with Texas' school finance system.

"We are very pleased with our District's Schools FIRST rating," said Fort Worth ISD Chief Financial Officer, Hank Johnson. "This shows how everyone in our District is working collaboratively to make the most of our resources. Our Board of Trustees and our Superintendent, our administrators, teachers and support staff are all well aware of the importance of making every taxpayer dollar count toward classroom success. This rating shows that Fort Worth's schools are accountable not only for student learning, but also for achieving academic results cost-effectively and efficiently." Mr. Johnson further concluded that "the Superior Achievement rating is the state's highest, demonstrating the quality of FWISD's financial management and reporting."

Annually, each school district must prepare a Financial Accountability Management Report. The report must contain certain disclosures. These disclosures include a copy of the Superintendent's current contract, compensation received by the Superintendent from other districts or outside entities, a schedule of the reimbursements received by the Superintendent and each Board Member, as well as reportable gifts and business transactions received by the Superintendent and Board of Trustees. Beginning with the 2009-2010 report each school is also required to disclose the summary of data submitted under the Financial Solvency Provisions of TEC Sec.39.0822. The Financial Accountability Management Report must be presented at a Public Hearing, which will be held on October 11, 2011, commencing at 5:15 p.m., 2903 Shotts Street, Fort Worth, Texas 76107.

In addition to the Superior School FIRST rating, Fort Worth ISD has been awarded the Certificate of Excellence in Financial Reporting Award from the Government Finance Officers Association of the United States and Canada (GFOA) and the Association of School Business Officials International (ASBO). For more information, please contact the Fort Worth ISD Controller's Office at (817) 814-2141.

Contents

Overview

The 77th Legislature (2001) authorized the implementation of a financial accountability rating system, which is officially referred to as Schools FIRST. The primary goal of Schools FIRST is to improve the management of school districts' financial resources. FWISD's Schools FIRST rating is based upon an analysis of staff and student data reported for the 2009-2010 school year, and budgetary and actual financial data for the 2010 fiscal year which ended for FWISD on June 30, 2010. To receive a "Superior Achievement Rating" you must score between 72 – 80 points and have a "yes" answer to Indicator 7. Fort Worth ISD's rating under Schools FIRST for the year ended June 30, 2010, was "Superior Achievement" with a score of 75.

The Schools FIRST accountability rating system assigns one of four financial accountability ratings to Texas school districts, with the highest being Superior Achievement, followed by Above-Standard Achievement, Standard Achievement and Substandard Achievement. Districts with serious data quality problems may receive the additional rating of "Suspended – Data Quality." Districts that receive the "Substandard Achievement" or "Suspended – Data Quality" ratings under Schools FIRST must file a corrective action plan with the Texas Education Agency.

The Schools FIRST rating sheet is used to rate the District according to twenty-two defined indicators, each weighted equally, except for the first six critical indicators. A negative response on one of the first four indicators or to both the fifth and sixth critical indicators results in the District receiving a rating of "Substandard Achievement."

This report briefly describes data used to calculate the rating indicators and includes the required disclosures.

Purpose of the Rating System

The Financial Accountability Rating System ensures that school districts will be:

- **Held accountable for the quality of their financial management practices; and**
- **Achieve improved performance in the management of their financial resources.**

It discloses the quality of local management and decision-making processes that impact the allocation of financial resources in Texas public schools.

This rating system was designed to encourage Texas public schools to manage their financial resources better in order to provide the maximum allocation possible for direct instructional purposes.

Meet the Board of Education

RAY DICKERSON
Board President

JUAN RANGEL
Board Vice President
District 8

T. A. SIMS, SR.
Board Secretary
District 4

CARLOS VASQUEZ
District 1

TOBI JACKSON
District 2

CHRISTINE C. MOSS
District 3

JUDY NEEDHAM
District 5

ANN SUTHERLAND
District 6

NORMAN ROBBINS
District 7

Interim Superintendent

WALTER D. DANSBY
Interim Superintendent

All nine trustees, active in business, neighborhoods and community groups, are dedicated to the overall success of all students enrolled in FWISD and the "Vision, Mission, Goals and Performance Objectives" contained in the District's Strategic Plan.

To determine your Board Member or District, visit the Tarrant County Website at https://voterlookup.tarrantcounty.com/. Enter your name in the space provided, and you will receive your voter data including voter precinct, polling place and state, county and local representatives.

Fort Worth
INDEPENDENT SCHOOL DISTRICT

Fort Worth ISD

STRATEGIC PLAN

Vision

The Fort Worth Independent School District envisions a high performing learning organization in which all students achieve proficiency in rigorous standards of intellectual thought and knowledge.

Mission

The mission of the Fort Worth Independent School District is to provide and support rigorous learning opportunities that result in successful completion of a quality high school experience for all students.

Strategic Goals

Goal 1: Student Achievement

All students will learn at high levels of academic expectations, and the achievement gap will be eliminated.

Goal 2: Operational Efficiency & Effectiveness

All operations in the District will be efficient and effective.

Goal 3: Family Involvement & Community Partnerships

Family involvement and community partnerships will be an integral part of the education of all children.

Fort Worth
INDEPENDENT SCHOOL DISTRICT

FIRST

Financial Integrity Rating System of Texas

2009-2010 DISTRICT STATUS DETAIL

Name: **FORT WORTH ISD**(**220905**)	**Publication Level 1:** 6/17/2011 9:03:31 AM
Status: **Passed**	**Publication Level 2:** 8/31/2011 1:00:45 PM
Rating: Superior Achievement	**Last Updated:** 8/31/2011 1:00:45 PM
District Score: 75	**Passing Score:** 56

#	Indicator Description	Updated	Score
1	Was The Total Fund Balance Less Reserved Fund Balance Greater Than Zero In The General Fund?	4/25/2011 9:13:07 PM	Yes
2	Was the Total Unrestricted Net Asset Balance (Net of Accretion of Interest on Capital Appreciation Bonds) In the Governmental Activities Column in the Statement of Net Assets Greater than Zero? (If the District's 5 Year % Change in Students was 10% more)	4/25/2011 9:13:07 PM	Yes
3	Were There No Disclosures In The Annual Financial Report And/Or Other Sources Of Information Concerning Default On Bonded Indebtedness Obligations?	4/25/2011 9:13:07 PM	Yes
4	Was The Annual Financial Report Filed Within One Month After November 27th or January 28th Deadline Depending Upon The District's Fiscal Year End Date (June 30th or August 31st)?	4/29/2011 3:53:15 PM	Yes
5	Was There An Unqualified Opinion in Annual Financial Report?	4/25/2011 9:13:08 PM	Yes
6	Did The Annual Financial Report Not Disclose Any Instance(s) Of Material Weaknesses In Internal	4/25/2011 9:13:08 PM	Yes

	Controls?		
			1 Multiplier Sum
7	Did the Districts Academic Rating Exceed Academically Unacceptable?	4/25/2011 9:13:08 PM	5
8	Was The Three-Year Average Percent Of Total Tax Collections (Including Delinquent) Greater Than 98%?	4/25/2011 9:13:08 PM	5
9	Did The Comparison Of PEIMS Data To Like Information In Annual Financial Report Result In An Aggregate Variance Of Less Than 3 Percent Of Expenditures Per Fund Type (Data Quality Measure)?	5/20/2011 9:14:25 AM	5
10	Were Debt Related Expenditures (Net Of IFA And/Or EDA Allotment) < $350.00 Per Student? (If The District's Five-Year Percent Change In Students = Or > 7%, Or If Property Taxes Collected Per Penny Of Tax Effort > $200,000 Per Student)	4/25/2011 9:13:09 PM	5
11	Was There No Disclosure In The Annual Audit Report Of Material Noncompliance?	4/25/2011 9:13:10 PM	5
12	Did The District Have Full Accreditation Status In Relation To Financial Management Practices? (e.g. No Conservator Or Monitor Assigned)	4/25/2011 9:13:10 PM	5
13	Was The Aggregate Of Budgeted Expenditures And Other Uses Less Than The Aggregate Of Total Revenues, Other Resources and Fund Balance In General Fund?	4/25/2011 9:13:10 PM	5
14	If The District's Aggregate Fund Balance In The General Fund And Capital Projects Fund Was Less Than Zero, Were Construction Projects Adequately Financed? (To Avoid Creating Or Adding To The Fund Balance Deficit Situation)	5/10/2011 4:16:24 PM	5
15	Was The Ratio Of Cash And Investments To Deferred Revenues (Excluding Amount Equal To Net Delinquent Taxes Receivable) In The General Fund Greater Than	4/25/2011 9:13:11 PM	5

	Or Equal To 1:1? (If Deferred Revenues Are Less Than Net Delinquent Taxes Receivable)		
16	Was The Administrative Cost Ratio Less Than The Threshold Ratio?	4/25/2011 9:13:11 PM	5
17	Was The Ratio Of Students To Teachers Within the Ranges Shown Below According To District Size?	4/25/2011 9:13:11 PM	5
18	Was The Ratio Of Students To Total Staff Within the Ranges Shown Below According To District Size?	4/25/2011 9:13:12 PM	5
19	Was The Total Fund Balance In The General Fund More Than 50% And Less Than 150% Of Optimum According To The Fund Balance And Cash Flow Calculation Worksheet In The Annual Financial Report?	4/25/2011 9:13:12 PM	5
20	Was The Decrease In Undesignated Unreserved Fund Balance < 20% Over Two Fiscal Years?(If 1.5 Times Optimum Fund Balance < Total Fund Balance In General Fund Or If Total Revenues > Operating Expenditures In The General Fund,Then District Receives 5 Points)	4/25/2011 9:13:12 PM	5
21	Was The Aggregate Total Of Cash And Investments In The General Fund More Than $0?	4/25/2011 9:13:13 PM	5
22	Were Investment Earnings In All Funds (Excluding Debt Service Fund and Capital Projects Fund) More Than $20 Per Student?	4/25/2011 9:13:13 PM	0
			75 Weighted Sum
			1 Multiplier Sum
			75 Score

DETERMINATION OF RATING

A.	Did The District Answer '**No**' To Indicators 1, 2, 3 Or 4? **OR** Did The District

	Answer '**No**' To Both 5 and 6? If So, The District's Rating Is **Substandard Achievement**.	
B.	Determine Rating By Applicable Range For summation of the indicator scores (Indicators 7-22)	
	Superior Achievement	72-80 and Yes to indicator 7
	Above Standard Achievement	64-71 or >= 72 and No to indicator 7
	Standard Achievement	56-63
	Substandard Achievement	<56 or No to one default indicator

INDICATOR 17 & 18 RATIOS

Indicator 17	Ranges for Ratios		**Indicator 18**	Ranges for Ratios	
District Size - Number of Students Between	Low	High	District Size - Number of Students Between	Low	High
< 500	7	22	< 500	5	14
500-999	10	22	500-999	5.8	14
1000-4999	11.5	22	1000-4999	6.3	14
5000-9999	13	22	5000-9999	6.8	14
=> 10000	13.5	22	=> 10000	7.0	14

OPTIONS

Update Unpassed | Update All | Lower Publication Level | Suspend

Suspension Reason.

Fort Worth ISD
Financial Integrity Rating System of Texas
2009-2010 REPORT (THREE YEAR COMPARISON)

The district's financial management performance under each indicator for the current and previous years' financial accountability ratings is shown below:

Previous Indicators	Current Indicators*	Indicator Description	2008 Result	2009 Result	2010 Result
1	1	Was The Total Fund Balance Less Reserved Fund Balance Greater Than Zero In The General Fund?	Yes	Yes	Yes
2	2	Was the Total Unrestricted Net Asset Balance (Net of Accretion of Interest on Capital Appreciation Bonds) in the Governmental Activities Column in the Statement of Net Assts Greater than Zero?	Yes	Yes	Yes
3	3	Were There No Disclosures In The Annual Financial Report And/Or Other Sources Of Information Concerning Default On Bonded Indebtedness Obligations?	Yes	Yes	Yes
4	4	Was The Annual Financial Report Filed Within One Month After November 27th or January 28th Deadline Depending Upon The District's Fiscal Year End Date (June 30th or August 31st)?	Yes	Yes	Yes
5	5	Was There An Unqualified Opinion in Annual Financial Report?	Yes	Yes	Yes
6	6	Did The Annual Financial Report Not Disclose Any Instance(s) Of Material Weaknesses In Internal Controls?	Yes	No	Yes
7	7	Did the District's Academic Rating Exceed Academically Unacceptable?	5	5	5
8	8	Was The Three-Year Average Percent Of Total Tax Collections (Including Delinquent) Greater Than 98%?	5	5	5

Fort Worth INDEPENDENT SCHOOL DISTRICT

Previous Indicators	Current Indicators*	Indicator Description	2008 Result	2009 Result	2010 Result
9	9	Did The Comparisons Of PEIMS Data To Like Information In Annual Financial Report Result In An Aggregate Variance Of Less Than 3 Percent Of Expenditures Per Fund Type (Data Quality Measure)?	5	5	5
10	10	Were Debt Related Expenditures (Net Of IFA And/Or EDA Allotment) < $250.00 Per Student? (If The District's Five-Year Percent Change In Students = Or > 7%, Or If Property Taxes Collected Per Penny Of Tax Effort > $200,000, Then Answer This Indicator Yes)	5	5	5
11	11	Was There No Disclosure In The Annual Audit Report Of Material Noncompliance?	5	5	5
12	12	Did The District Have Full Accreditation Status In Relation To Financial Management Practices? (e.g. No Master Or Monitor Assigned)	5	5	5
13	N/A	Was The Percent Of Operating Expenditures Expended For Instruction More Than 65%? (Phased in over 3 years, 55% for 06-07; 60% for 07-08; and 65% for 08-08)	1	Removed as Indicator	
14	N/A	Was the Percent of Operating Expenditures Expended for Instruction More Than or Equal to 65% (Functions 11,12,31,33,36,93,95)	2	Removed as Indicator	
15	13	Was The Aggregate Of Budgeted Expenditures And Other Uses Less Than The Aggregate Of Total Revenues, Other Resources and Fund Balance In General Fund?	5	5	5

Previous Indicators	Current Indicators*	Indicator Description	2008 Result	2009 Result	2010 Result
16	14	If The District's Aggregate Fund Balance In The General Fund And Capital Projects Fund Was Less Than Zero, Were Construction Projects Adequately Financed? (To Avoid Creating Or Adding To The Fund Balance Deficit Situation)	5	5	5
17	15	Was The Ratio Of Cash And Investments To Deferred Revenues (Excluding Amount Equal To Net Delinquent Taxes Receivables) In The General Fund = Or > 1:1? (If Deferred Revenues < Net Delinquent Taxes Receivable, Then Answer This Indicator Yes)	5	5	5
18	16	Was The Administrative Cost Ratio Less Than The Threshold Ratio?	5	5	5
19	17	Was The Ratio Of Students To Teachers Within the Ranges Shown Below According To District Size?	5	5	5
20	18	Was The Ratio Of Students To Total Staff Within the Ranges Shown Below According To District Size?	5	5	5
21	19	Was The Total Fund Balance In The General Fund More Than 50% And Less Than 150% Of Optimum According To The Fund Balance And Cash Flow Calculation Worksheet In The Annual Financial Report?	5	5	5
22	20	Was The Decrease In Undesignated Unreserved Fund Balance < 20% Over Two Fiscal Years?(If 1.5 Times Optimum Fund Balance < Total Fund Balance In General Fund Or If Total Revenues > Operating Expenditures In The General Fund, Then Answer This Indicator Yes)	5	5	5

Previous Indicators	Current Indicators*	Indicator Description	2008 Result	2009 Result	2010 Result
23	21	Was The Aggregate Total Of Cash And Investments In The General Fund More Than $0?	5	5	5
24	22	Were Investment Earnings In All Funds More Than $20Per Student?	4**	5	0***

***Indicates a decrease in the number of indicators beginning with the 2008-2009 report. Former indicators #14 and #15 are no longer used as an evaluation tool for School FIRST.**

****Four was the maximum number for Indicator 24 for previous reporting periods. The maximum changed to five for the 2008-09 reporting period.**

*****For 2009-2010 the district received zero points for Indicator 22 as investment income per student did not equal the $20 per student threshold. The District appealed this rating showing that based upon market conditions during this reporting period and the district's investment policies and strategies, that it would not have been possible to achieve this per student investment dollar amount. No action was taken by TEA on the appeal since the overall "Superior Rating" was not affected by this indicator.**

Texas Administrative Code
Chapter 109 Disclosures
Disclosure A

Copy of the Superintendent's Current Employment Contract and all Amendments

The Superintendent's employment contract, together with all amendments, may be viewed on the District's website.

Please visit
http://www.fwisd.org/business/Pages/accounting.aspx

Fort Worth
INDEPENDENT SCHOOL DISTRICT

Texas Administrative Code
Chapter 109 Disclosures
Disclosure B

Reimbursements Received by Superintendent and Board Members For the Year Ended June 30, 2010

A summary schedule for the fiscal year (12-month period) of total reimbursements received by the superintendent and each board member. The summary schedule reports reimbursements for meals, lodging, transportation, motor fuel, and other items separately. It does not include reimbursements for supplies, materials and other costs that were purchased for the operation of the school district or allowances paid as part of the superintendent's employment contract.

Name	Meals	Lodging	Transportation (Air Fare + Mileage)	Other (Registration, Incidentals, Parking, Baggage + Other)	Total
Johnson, Melody	$3,033.10	$3,080.08	$4,302.73	$1,422.50	$11,838.41
Dickerson, Raymond			$186.90		$186.90
Hatch, Christopher	$494.00	$522.81	$195.20	$331.62	$1,543.63
Jackson, Tobi	$280.50	$599.64	$265.26	$335.00	$1,480.40
McClung, Jean				$285.00	$285.00
Moss, Christene	$356.43	$2,232.08	$1,933.01	$2,362.73	$6,884.25
Needham, Judy				$735.00	$735.00
Rangel, Juan	$2,489.15	$1,558.91	$2,778.80	$1,610.00	$8,436.86
Robbins, Norman	$70.30	$688.95	$434.99	$859.15	$2,053.39
Sims, TA					$0.00
Sutherland, Ann				$335.00	$335.00
Vasquez, Carlos	$2,417.40	$3,124.12	$2,033.10	$2,460.24	$10,034.86
	$9,140.88	**$11,806.59**	**$12,129.99**	**$10,736.24**	**$43,813.70**

Texas Administrative Code
Chapter 109 Disclosures
Disclosure C

Reportable Superintendent's Compensation

Summary schedule for the fiscal year of the dollar amount of compensation and/or fees received by the superintendent from another school district or any other outside entity in exchange for professional consulting and/or other personal services. The schedule shall separately report the amount received from each entity.

No Amounts Reported

Fort Worth
INDEPENDENT SCHOOL DISTRICT

Texas Administrative Code
Chapter 109 Disclosures
Disclosure D

Reportable Gifts

A summary schedule for the fiscal year of the dollar amount of gifts that had an economic value of $250 or more in the aggregate in the fiscal year. This reporting requirement only applies to gifts received by the executive officers and board members (and their immediate family as described by Government Code, Chapter 573, Subchapter B, as a person related to another person within the first degree by consanguinity or affinity) from an outside entity that received payments from the school district in the prior fiscal year, and gifts from competing vendors that were not awarded contracts in the prior fiscal year. This reporting requirement does not apply to reimbursement of travel-related expenses by an outside entity when the purpose of the travel is to investigate or explore matters directly related to the duties of an executive officer or board member, or matters related to attendance at education-related conferences and seminars whose primary purpose is to provide continuing education (this exclusion does not apply to trips for entertainment related purposes or pleasure trips). This reporting requirement excludes an individual gift or a series of gifts from a single outside entity that had an aggregate economic value of less than $250 per executive officer or board member.

No Amounts Reported

Fort Worth
INDEPENDENT SCHOOL DISTRICT

Texas Administrative Code
Chapter 109 Disclosures
Disclosure E

Business Transactions with District

A summary schedule for the fiscal year of the dollar amount received by board members for the aggregate amount of business transactions with the school district. This reporting requirement is not to duplicate the items disclosed in the summary schedule of reimbursements received by board members.

No Amounts Reported

Fort Worth
INDEPENDENT SCHOOL DISTRICT

Texas Administrative Code
Chapter 109 Disclosures
Disclosure F

Summary Schedule of Data Submitted under the Financial Solvency Provisions of TEC §39.0822

General Fund - First-Quarter Expenditures By Object Code (2010-2011)

Payroll-	Expenditures for payroll costs	object codes 6110-6149	$ 119,332,531
Contract Costs-	Expenditures for services rendered by firms, individuals, and other organizations	object code series 6200	$ 14,356,600
Supplies and Materials-	Expenditures for supplies and materials necessary to maintain and/or operate furniture, computers, equipment, vehicles, grounds, and facilities	object code series 6300	$ 5,871,275
Other Operating-	Expenditures for items other than payroll, professional and contracted services, supplies and materials, debt service, and capital outlay	object code series 6400	$ 4,025,964
Debt Service-	Expenditures for debt service	object code series 6500	$ 0
Capital Outlay-	Expenditures for land, buildings, and equipment	object code series 6600	$ 1,582,719

Districts with a July 1- June 30 fiscal year:

Within the last two years, did the school district	YES	NO
1) draw funds from a short-term financing note (term less than 12 months) between the months of July and October, inclusive, and		X
2) for the prior fiscal year, have a total General Fund balance of less than 2 percent of total expenditures for General Fund function codes 11-61?		X

2) Has the school district declared financial exigency within the past two years?	X	

3) Provide comments or explanations for student-to-staff ratios significantly (more than 15%) below the norm, rapid depletion of General Fund balances, or any significant discrepancies between actual budget figures and projected revenues and expenditures, or any other information that may be helpful in evaluating the school district's financial solvency.

Mean Enroll-to-Teacher Ratio	85% of Mean Enroll-to-Teacher Ratio	School District Size
8.39	7.13	Under 100
9.48	8.06	100 to 249
10.73	9.12	250 to 499
11.48	9.76	500 to 999
12.45	10.58	1,000 to 1,599
13.52	11.50	1,600 to 2,999
14.29	12.15	3,000 to 4,999
14.80	12.58	5,000 to 9,999
14.88	12.65	10,000 to 24,999
15.01	12.76	25,000 to 49,999
15.06	12.80	50,000 and Over

No significant deficiencies or unfavorable variances to report

4) How many superintendents has your school district had in the last five years?	1
5) How many business managers has your school district had in the last five years?	2